

Legislative Fiscal Division

HTTP://www.leg.mt.gov/css/fiscal

Legislative Fiscal Division Presentation for Public Defender Commission

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Note: emphasis added

1. Legislative Finance Committee - The Legislative Finance Committee is a permanent joint committee of the legislature:

- Comprised of equal numbers of house and senate members (bicameral)
- Comprised of equal number from the two major parties (bipartisan)
- **web link** - <http://leg.mt.gov/css/fiscal/lfc.asp>

Members:

Sen. Trudi Schmidt (D), Chair	Rep. Rick Ripley (R), Vice Chair	Rep. Jon Sesso (D), Sec.
Sen. Keith Bales (R)	Sen. John Cobb (R)	Rep. Janna Taylor (R)
Sen. Carol Williams (D)	Rep. Cynthia Hiner (D)	Sen. Dave Wanzonried (D)
Rep. Dave Kasten (R)	Sen. John Brueggeman (R)	Rep. Ron Erickson (D)

Statutory Provisions: Title 5, Chapter 12, Part 200, MCA

Powers and Duties:

"5-12-205. Powers and duties of committee. The committee:

(1) may organize, adopt rules to govern its proceedings, and meet as often as necessary, upon the call of the presiding officer, to advise and consult with the legislative fiscal analyst;

(2) may employ and, in accordance with the rules for classification and pay adopted by the legislative council, set the salary of the legislative fiscal analyst. The legislative fiscal analyst shall serve at the pleasure of and be responsible for providing services to the committee.

(3) may exercise the investigatory powers of a standing committee under chapter 5, part 1, of this title;

(4) shall monitor the information technology policies of the department of administration with specific attention to:

(a) identification of information technology issues likely to require future legislative attention; and

(b) the evaluation of proposed information technology policy changes and the fiscal implications of the proposed changes and shall provide written responses to the department of administration communicating the committee's positions and concerns on proposed policy changes;

(5) may accumulate, compile, analyze, and provide information relevant to existing or proposed legislation on how information technology can be used to impact the welfare of the state;

(6) may prepare legislation to implement any proposed changes involving information technology; and

(7) shall, before each regular and special legislative session involving budgetary matters, prepare recommendations to the house appropriations committee and the senate finance and claims committee on the application of certain budget issues. At a minimum, the recommendations must include procedures for the consistent application during each session of inflation factors, the allocation of fixed costs, and the personal services budget. The committee may also make recommendations on other issues of major concern in the budgeting process, such as estimating the cost of implementing particular programs based upon present law."

• Within investigative and oversight, the committee

- Hears staff reports
- Receives reports from agencies
- Conducts hearings
- Can subpoena and file suit

- LFC oversight and study is not limited to specific topic areas but may include any topic impacting state finances and fiscal policies
- The LFC cannot assume the powers of the legislature – the Legislature can't grant to a committee powers reserved to itself (supreme court)

Supplemental Appropriations - 17-7-311 Proposed fiscal year transfer supplemental appropriation -- procedure. (1) A proposed supplemental appropriation to transfer appropriations between fiscal years of a biennium and all supporting documentation must be submitted to the legislative fiscal analyst. The governor may not approve a proposed fiscal year transfer supplemental appropriation until the governor receives the legislative finance committee's written report for that proposed fiscal year transfer supplemental appropriation unless:

(a) the report is not received within 90 calendar days from the date the proposed fiscal year transfer supplemental appropriation and supporting documentation were forwarded to the legislative finance committee, in which case the governor may approve the proposed fiscal year transfer supplemental appropriation; or

(b) there has been a waiver of the review and report requirements, as provided in subsection (4).

(2) The legislative fiscal analyst shall review each proposed fiscal year transfer supplemental appropriation submitted by the governor for compliance with statutory requirements and standards and to determine the expenditures that will be reduced in order to contain spending within legislative appropriations. The legislative fiscal analyst shall present a written report of this review to the legislative finance committee. Within 10 days after the legislative finance committee's consideration of the proposed fiscal year transfer supplemental appropriation, the legislative fiscal analyst shall submit the legislative finance committee's report to the governor.

(3) Upon receipt of the legislative finance committee's written report, the governor may approve or deny the proposed fiscal year transfer supplemental appropriation or may return the proposed fiscal year transfer supplemental appropriation to the requesting agency for further information. If the governor has returned the proposed fiscal year transfer supplemental appropriation to the requesting agency and the requesting agency resubmits the proposed fiscal year transfer supplemental appropriation to the governor, all procedures provided in this section apply to the resubmitted proposed fiscal year transfer supplemental appropriation.

(4) (a) If an emergency occurs that poses a serious threat to the life, health, or safety of the public, the legislative fiscal analyst may waive the written review and the legislative finance committee's written report required by this section. After a waiver, the legislative fiscal analyst may complete the written review.

(b) Upon receipt of the waiver, the governor may approve the proposed fiscal year transfer supplemental appropriation.

(c) A waiver affects only the legislative fiscal analyst's written review and the legislative finance committee's written report on the proposed fiscal year transfer supplemental appropriation. All other proposed fiscal year transfer supplemental appropriation requirements and standards remain in effect.

(5) Nothing in this part confers on the legislative finance committee authority to approve or deny a proposed fiscal year transfer supplemental appropriation.

2. Legislative Fiscal Division

Statutory provisions – Title 5, Chapter 12, MCA

Selected statutory provisions

“5-12-302. Fiscal analyst's duties. The legislative fiscal analyst shall:

(1) provide for fiscal analysis of state government and accumulate, compile, analyze, and furnish information bearing upon the financial matters of the state that is relevant to issues of policy and questions of statewide importance, including but not limited to investigation and study of the possibilities of effecting economy and efficiency in state government;

(2) estimate revenue from existing and proposed taxes;

(3) analyze the executive budget and budget requests of selected state agencies and institutions, including proposals for the construction of capital improvements;

(4) make the reports and recommendations that the legislative fiscal analyst considers desirable to the legislature and make reports and recommendations as requested by the legislative finance committee and the legislature;

(5) assist committees of the legislature and individual legislators in compiling and analyzing financial

information; and

(6) assist the revenue and transportation interim committee in performing its revenue estimating duties”

“5-12-303. Fiscal analysis information from state agencies. (1) The legislative fiscal analyst *may investigate and examine the costs and revenue of state government activities and may examine and obtain copies of the records, books, and files of any state agency, including confidential records.*

(2) When confidential records and information are obtained from a state agency, the legislative fiscal analyst and staff must be subject to the same penalties for unauthorized disclosure of the confidential records and information provided for under the laws administered by the state agency. The legislative fiscal analyst shall develop policies to prevent the unauthorized disclosure of confidential records and information obtained from state agencies.

(3) The legislative fiscal analyst may not obtain copies of individual income tax records protected under 15-30-303. The department of revenue shall make individual income tax data available by removing names, addresses, occupations, social security numbers, and taxpayer identification numbers. The department of revenue may not alter the data in any other way. The data is subject to the same restrictions on disclosure as are individual income tax returns.

(4) Within 1 day after the legislative finance committee presents its budget analysis to the legislature, the budget director and the legislative fiscal analyst shall exchange expenditure and disbursement recommendations by second-level expenditure detail and by funding sources detailed by accounting entity. This information must be filed in the respective offices and be made available to the legislature and the public. In preparing the budget analysis for the next biennium for submission to the legislature, the legislative fiscal analyst shall use the base budget, the present law base, and new proposals as defined in 17-7-102.

(5) This section does not authorize publication or public disclosure of information if the law prohibits publication or disclosure.”

“5-12-304. Employees and consultants. The legislative fiscal analyst may engage personnel and consultants to fulfill the duties of the division within the limits of appropriations for the division. The legislative fiscal analyst may define the duties of personnel engaged and shall fix the salaries of employees in accordance with the rules for classification and pay adopted by the legislative council.”

3. Interim Work Plan – Major Items

1. State budgeting process, included statutory appropriations
 - Work group - Senators Wanzenried, Cobb, Representatives Taylor, Sesso
 - First task – determination of priorities and scope
2. State government budget model
 - Work group – Senator Bales, Representative Erickson
3. Graying of Montana
 - Work group – Senator Williams, Representative Hiner
4. LFD Staff Services Assessment
 - Work group – LFC Management Advisory Group
5. Performance Management
 - Work or “bulldog” groups appointed to follow up, monitor on appropriation subcommittee basis
 - Section A “bulldog” group – Representatives Taylor, Sesso
6. Indian Health Services – increased federal reimbursement and related issues
 - Work or “bulldog” group – Senators Cobb, Williams
7. Information Technology
 - Work or “bulldog” group – Senator Bruggeman, Representative Erickson
8. Rainy Day Fund
9. Other items including agency oversight and monitoring – monitoring OPD system financing is included in the work plan with the priority level designated as high - detailed draft work plan available at: http://leg.mt.gov/content/publications/fiscal/interim/financecmty_june2007/LFD_Workplan_09.pdf

4. LFC proposed interim meeting dates:

October 9 – 10, 2007

December 6-7, 2007

March 6-7, 2008

June 5-6, 2008

October 9-10, 2008

November 18, 2008

5. Performance Management

- Statutory reference: **17-7-111 Preparation of state budget -- agency program budgets -- form distribution and contents.** 17-7-111(3) (c) The plan must consist of: a statement of the agency mission and a statement of goals and objectives for each program of the agency. The goals and objectives must include, in a concise form, sufficient specific information and quantifiable information to enable the legislature to formulate an appropriations policy regarding the agency and its programs and to allow a determination, at some future date, on whether the agency has succeeded in attaining its goals and objectives.
- Emphasis: Monitoring and measuring progress – making sure goals/objectives are measurable AND measuring progress – goals should be “SMART”
 - a. Specific
 - b. Measurable
 - c. Accountable
 - d. Reportable
 - e. Time bound
- Handouts
 - a. “Getting to Performance”
 - b. July 17, 2007 correspondence to agency directors from Clayton Schenck, LFA
- Gotcha to Getcha – intention is to monitor, identify difficulties if any, and ways that the legislature may be of assistance – intent is not “gotcha”

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